

STATEMENT OF JON H. SEYMOUR
ASSISTANT SECRETARY FOR ADMINISTRATION,
OFFICE OF THE SECRETARY, DEPARTMENT OF TRANSPORTATION
BEFORE THE COMMITTEE ON SMALL BUSINESS
UNITED STATES SENATE
MARCH 27, 1986

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I AM JON SEYMOUR, ASSISTANT SECRETARY FOR ADMINISTRATION IN THE OFFICE OF THE SECRETARY, DEPARTMENT OF TRANSPORTATION. BOTH SECRETARY ELIZABETH DOLE AND DEPUTY SECRETARY JAMES BURNLEY SEND THEIR REGRETS THAT SCHEDULE CONFLICTS PROHIBIT THEIR APPEARANCE TODAY.

THE DEPARTMENT OF TRANSPORTATION APPRECIATES THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO DISCUSS H.R. 2787, A BILL TO EXTEND THROUGH FISCAL YEAR 1988 SBA PILOT PROGRAMS UNDER SECTION 8 OF THE SMALL BUSINESS ACT.

ON OCTOBER 31, 1985, DOT'S WRITTEN COMMENTS ON H.R. 2787 WERE PROVIDED TO THE HOUSE COMMITTEE ON SMALL BUSINESS, U.S. HOUSE OF REPRESENTATIVES. A COPY OF THAT LETTER IS ATTACHED. THIS MORNING I WOULD LIKE TO DISCUSS OUR EXPERIENCE UNDER THE PILOT PROGRAM AND SPECIFICALLY ANSWER THE QUESTIONS RAISED IN YOUR MARCH 18, 1986 LETTER.

WE BELIEVE THE DEPARTMENT HAS AN EXCELLENT RECORD OF AWARDS TO SMALL DISADVANTAGED BUSINESSES. THE FOLLOWING TABLE SUMMARIZES MINORITY CONTRACTING RESULTS.

MINORITY CONTRACTING RESULTS

(DOLLARS IN M)

FISCAL YEAR	TOTAL PROCUREMENT	TOTAL MINORITY*	8(a) PROCUREMENT	TOTAL % MINORITY
1978	1,125	112.2	34.2	10.0
1979	1,512	93.8	50.4	6.2
1980	1,401	148.3	89.1	10.6
1981	1,736	133.2	87.5	7.7
1982	1,447	150.9	97.2	10.4
1983	1,564	208.7	150.0	13.4
1984	1,663	235.7	174.2	14.2
1985	2,415	302.8	227.9	11.8
1986 (GOAL)	1,736	242.0	199.7	13.9

* INCLUDES DIRECT AWARDS TO MINORITIES OUTSIDE THE 8(a) PROGRAM, 8(a) AWARDS AND SUBCONTRACT AWARDS.

SOURCE: MINORITY BUSINESS DEVELOPMENT AGENCY, FY 1984 REPORT "FEDERAL AGENCY PERFORMANCE IN MINORITY BUSINESS DEVELOPMENT."

EVERY PROPOSED PROCUREMENT ACTION IS SCREENED FOR POSSIBLE PLACEMENT IN THE 8(a) PROGRAM BEFORE IT IS CONSIDERED FOR A SMALL BUSINESS SET ASIDE OR UNRESTRICTED COMPETITIVE PROCUREMENT. WE RECOGNIZE THAT SMALL DISADVANTAGED BUSINESS ENTREPRENEURS HAVE TRADITIONALLY NOT BEEN AFFORDED EQUAL OPPORTUNITY TO DEVELOP AS OWNERS AND MANAGERS OF AMERICAN BUSINESS. THE SECRETARY AND DEPUTY SECRETARY ARE COMMITTED TO PROVIDING THESE COMPANIES A FAIR OPPORTUNITY TO PARTICIPATE IN THE DEPARTMENT'S PROCUREMENTS.

BASED ON OUR EXPERIENCE, WE BELIEVE THAT MANY OF THE OBJECTIVES OF THE PILOT PROGRAM CAN BE ACHIEVED THROUGH THE REGULAR 8(a) PROGRAM. WE HAVE ESTABLISHED A CLOSE COOPERATIVE WORKING RELATIONSHIP WITH SBA, AND HAVE WORKED CLOSELY WITH SBA AND THE 8(a) COMMUNITY TO IDENTIFY PILOT 8(a) CONTRACT OPPORTUNITIES. TO

DATE, WE HAVE AWARDED TWELVE CONTRACTS UNDER THE PROGRAM, AND MAY AWARD AN ADDITIONAL ONE CONTRACT IN THE NEXT YEAR. THIS LAST AWARD WOULD BE FOR A CONTRACT IDENTIFIED DURING THE PERIOD THAT DOT WAS THE PILOT AGENCY. THE DETAILS OF THESE CONTRACTS ARE PROVIDED IN THE MONTHLY STATUS REPORT TO THE HOUSE COMMITTEE AND WE HAVE PROVIDED A COPY OF THE MOST RECENT REPORT TO THE COMMITTEE STAFF. OVER THE NEXT FEW YEARS, WE WILL CONTINUE TO EXERCISE OPTIONS, AS APPROPRIATE, FOR ADDITIONAL WORK UNDER THE PILOT CONTRACTS.

MR. CHAIRMAN, THIS COMPLETES MY FORMAL STATEMENT. THE ANSWERS TO THE SPECIFIC QUESTIONS YOU RAISED ARE INCLUDED AS AN ATTACHMENT TO THIS STATEMENT. WE WILL BE HAPPY TO RESPOND TO ANY QUESTIONS YOU OR MEMBERS OF THE COMMITTEE MAY HAVE.